

WASHINGTON, D.C. - Today Congressman John Olver drew attention to the squeeze renters are experiencing in the Fitchburg and Leominster-area after the release of the National Low Income Housing Coalition's report, Out of Reach.

Out of Reach is a side-by-side comparison of wages and rents in every county, Metropolitan Area and state in the United States. For each jurisdiction, the report calculates the amount of money a household must earn in order to afford a rental unit at a range of sizes. The report pegs the cost of rental units at the area's Fair Market Rent (FMR), or the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The report defines "affordable" as not paying more than 30 percent of income on housing.

"We are missing an entire segment of the population out there when we talk about the housing crisis just in terms of home owners. Renters make up one-third of the households in the United States, and they are also finding it more and more difficult to get ahead. These numbers highlight how difficult it is for a minimum wage worker or single parent to find an affordable, safe home."

In the Fitchburg-Leominster area, the FMR for a two-bedroom apartment is \$913 per month. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$36,520 annually. Assuming a 40-hour work week, 52 weeks per year, and this level of income works out to \$17.56 per hour.

However, in the Fitchburg/Leominster area, a minimum wage worker earns \$8.00 per hour. These workers must work 88 hours per week, 52 weeks per year to afford a two-bedroom apartment.

In addition, the area's estimated average wage for a renter is \$12.48 per hour. In order to afford a two-bedroom apartment, without paying more than 30% of income on housing, a renter must work 56 hours per week, 52 weeks a year. Or, working 40 hours per week year-round, a household must include 1.4 worker(s) earning the mean renter wage (\$12.48 per hour), to make a two-bedroom affordable.

Congressman Olver continued, “People are left with having to work two or three jobs or spending more than they can afford. Also, people are spending more than they can afford on their housing. In fact, one in seven spends more than 50 percent of their income on housing. These people are one medical emergency or car accident away from losing the roof over their heads.”

Congressman John Olver is Chairman of the Appropriations Subcommittee on Transportation, Housing and Urban Development.

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To see the National Low Income Housing Coalition’s Report, please visit: <http://nlihc.org/oor/oor2008/>